

FY 2007-08 Department of Corrections Budget - Changes from Year-to-Date

FY 2006-07 Year-to-Date

| | |
|------------|-----------------|
| Beds | 51,490 |
| FTE | 17,782.0 |
| Gross | \$1,884,478,700 |
| IDG/IDT | \$1,238,400 |
| Federal | \$11,431,500 |
| Local | \$420,900 |
| Restricted | \$67,784,700 |
| GF/GP | \$1,803,603,200 |

Governor's Changes

1 New Beds

During FY 2006-07, 1,400 unplanned beds were added throughout the DOC due to the unanticipated increase in the prison population during FY 2005-06. The increases include facility, security, health care, and education costs.

| | |
|-------|--------------|
| Gross | \$28,096,200 |
| GF/GP | \$28,096,200 |

| | |
|------|-------|
| Beds | 1,400 |
| FTE | 224.4 |

| <u>Facility</u> | <u>Number of Beds</u> | <u>Security Level</u> | <u>FTEs</u> | <u>Gross Appropriation</u> | <u>Opened?</u> |
|-----------------|-----------------------|-----------------------|-------------|--------------------------------|------------------|
| Bellamy Creek | 20 | I | 5.4 | 510,900 | 10/2006 |
| Boyer Road | 0 | I | 1.0 | 2,128,547 | 06/2006, 07/2006 |
| Camp Branch | 50 | I | 4.2 | 574,800 | 03/2006 |
| Camp White Lake | 80 | I | 37.2 | 3,471,800 | 03/2007 |
| Cooper Street | 80 | Secure I | 3.6 | 705,300 | 10/2006 |
| Hiawatha | 160 | I | 22.6 | 2,570,146 | 09/2006, 10/2006 |
| Ionia Maximum | 40 | II | 3.6 | 493,900 | 12/2006 |
| Macomb | 240 | IV | 45.0 | 4,827,500 | No |
| Marquette | 131 | I | 14.2 | 1,906,800 | 11/2006, 12/2006 |
| Newberry | 38 | II | 5.4 | 606,000 | 10/2006 |
| Ojibway | 48 | I | 5.4 | 652,800 | 12/2006 |
| Parnall | 177 | I | 22.0 | 2,600,500 | 03/2007 |
| Standish | 96 | V | 4.6 | 930,500 | No |
| Straits | 160 | II | 38.4 | 3,738,900 | 12/2006, 02/2007 |
| West Shoreline | 80 | I | 11.8 | 2,377,807 | 06/2006, 07/2006 |
| Total | 1,400 | | 224.4 | 28,096,200 | |

2 Michigan Prisoner Re-entry Initiative

Michigan began funding the MPRI in FY 2005-06. The 1st and 2nd round pilot sites were provided with funding during FY 2006-07, and for FY 2007-08, the DOC requested funding to expand the program statewide. As determined from FY 2006-07, the average cost of this program per parolee is \$2,604. The DOC proposed to expand the current 15 pilot sites to include 18 additional counties in order to serve 43 counties and 9,223 parolees. Additionally, DOC requested funding for 5 new sites to serve 40 counties.

The purpose of the MPRI is to reduce recidivism and crime by providing planning and services to prisoners and parolees to prepare them for life in the community.

| | |
|-------|--------------|
| Gross | \$20,620,800 |
| GF/GP | \$20,620,800 |

3 Pharmaceuticals

The Governor requested funding for pharmaceuticals due to an increase in both cost and demand. The DOC contracts with PharmaCorr for prescription services. During FY 2004-05, the average number of orders per inmate was 1.67. That average jumped to 2.04 in FY 2005-06, and the cost per unit for drugs rose 5%.

Gross \$10,420,300
GF/GP \$10,420,300

| | |
|------------------------|------------|
| FY 2005-06 | |
| Pharmaceutical Funding | 24,094,100 |
| Costs | 36,514,400 |
| Shortage | 12,420,300 |
| FY 2007-08 | |
| Projected Savings | 2,000,000 |
| Funding Request | 10,420,300 |

4 Fuel and Utilities

The Governor requested additional funding for fuel and utility increases beyond what was requested for economic increases. In addition to the 3% economic increase, \$4 million was requested to cover previously underfunded increases.

Gross \$4,000,000
GF/GP \$4,000,000

| Fiscal Year | Cost Increase | Funding Increase |
|-------------|---------------|------------------|
| 2002-03 | 15.7% | 3.0% |
| 2003-04 | 0.2% | 3.0% |
| 2004-05 | 8.8% | 0% |
| 2005-06 | 17.9% | 0% |
| 2006-07 | n/a | 5.0% |

5 Uniform Cleaning Allowances

The Office of the State Employer negotiated contract with the Michigan Corrections Organization includes a \$575 annual uniform cleaning allowance. The allowance was increased in October 2005 from \$250 annually, but the increase was not funded in the appropriation.

Gross \$3,341,700
GF/GP \$3,341,700

6 Training

The Governor requested funding for an additional training school for new correctional officers during F-Y 2007-08. One of the training schools planned for F-Y 2006-07 was eliminated as part of Executive Order 2007-3. The total funding requested for training would fund wages, training manuals, certification, and travel for 834.6 recruits at a cost of \$15,700 per recruit. Funding for the \$850 uniform is included for the 776 recruits the DOC assumes will graduate training.

Gross \$2,680,100
GF/GP \$2,680,100

7 Equipment and Special Maintenance

In the FY 2006-07 appropriation, \$2 million for equipment and special maintenance was removed in order to appropriate the funds in the capital outlay budget. However, the FY 2006-07 capital outlay budget was never enacted. The Governor requested that the \$2 million be replaced for FY 2007-08. Due to underfunding for the maintenance of the DOC's land, equipment, and 14 million square feet of building space, the DOC has had to delay projects.

Gross \$2,000,000
GF/GP \$2,000,000

8 Insurance

The DOC is underfunded for insurance costs. Economic increases for insurances have been based on overall insurance rate increases statewide. However, since many insurance options for employees are not available statewide, 65.3% participate in the State Health Plan and 9.5% participate in Physicians Health Plan, an HMO. From FY 2002-03 to FY 2006-07, the State Health Plan rates have increased 71%. The only HMO to experience that high of an increase was Physicians Health Plan.

Statewide insurance economics have not funded increases of this magnitude. For FY 2007-08, the request included at 7.2% economic increase for insurance.

Gross \$2,000,000
GF/GP \$2,000,000

| | | |
|---|-------|-------------|
| 9 DCH Mental Health Outpatient Teams DCH employees provide outpatient mental health services to prisoners. Each team consists of a psychiatrist, psychologist, social worker, nurse, and secretary. A normal caseload is 175 cases per team. During FY 2005-06, the caseload increased by 609 cases, and the increases for FY 2006-07 and FY 2007-08 are supposed to be 300 each. The FY 2006-07 appropriation provided an additional team, and the FY 2007-08 funding request included for two additional teams to cover the increased caseload. | Gross | \$1,979,600 |
| | GF/GP | \$1,979,600 |
| 10 Field Agents in Correctional Facilities In order to transition offenders from prison to the community through the MPRI, the DOC requested 16.0 FTE field agents to work in correctional facilities with prisoners prior to their parole. The agents would work with an offender for about 4 months, developing their placement plan, assessing what services they would need in the community, and working to link the offender with those services. Each field agent would work with about 120 offenders at a time. | Gross | \$1,368,400 |
| | GF/GP | \$1,368,400 |
| | FTE | 16.0 |
| 11 Information Technology Upgrade The DOC requested funding to upgrade its entire telecommunications infrastructure to DIT standard equipment. The cost of DIT services for equipment is \$9.75 per connection per month. The DOC has 11,246 connections. As a result of the conversion to the system with this monthly service charge, the DOC will save \$200,000 that funded two DIT employees. | Gross | \$1,115,800 |
| | GF/GP | \$1,115,800 |
| 12 Hospital Security Coverage During hospital stays in the community, each prisoner must have two officers accompanying them. As a result of increased inpatient days, overtime used to cover hospital security rose from 244,984 hours during FY 2004-05 to 310,600 hours during FY 2005-06. In order to reduce overtime hours, the Governor requested funding for 138.0 FTE correctional officers for hospital coverage. These additional FTEs would have the effect of reducing hospital security-related overtime by up to 287,040 hours. | Gross | \$1,100,000 |
| | GF/GP | \$1,100,000 |
| | FTE | 138.0 |
| 13 Project Safe Neighborhoods and Project Joshua Field Agents PSN and Project Joshua are both Wayne County projects aimed at reducing gun violence among parolees and probationers. PSN is a collaborative effort of the DOC, local law enforcement, the U.S. Attorney's Office, the Wayne County Prosecutor's Office, and the FBI to enhance supervision of parolees and make unannounced home calls on parolees. Participants of Project Joshua included the DOC, the Detroit Police, the Wayne County Prosecutor's Office, and the Michigan Attorney General's Office until the AG announced that his office would no longer be participating. Project Joshua did unannounced home calls, and provided call-in meetings for parolees and probationers. Each project has had 6 field agents making unannounced home calls with local law enforcement. These agents work full-time on home calls and do not carry any other caseload. The Governor requested funding for these 12.0 FTE field agents for FY 2007-08. | Gross | \$1,026,400 |
| | GF/GP | \$1,026,400 |
| | FTE | 12.0 |
| 14 Residential Substance Abuse Treatment The DOC has lost its federal funding for the Residential Substance Abuse Treatment program. The recidivism rate of RSAT graduates is 21% for men and 22% for women in comparison to 48% for the general offender population. Currently, Cooper Street's RSAT program has 152 beds and Huron Valley Women's RSAT program has 40 beds. The Governor requested \$950,600 in GF/GP to replace the federal funds. | Gross | \$0 |
| | GF/GP | \$950,600 |
| 15 Substance Abuse Treatment Contracts with residential substance abuse treatment providers will be re-bid for FY 2007-08. The DOC projects a 10% economic increase in the proposals for the three year contracts. | Gross | \$789,400 |
| | GF/GP | \$789,400 |

16 Military Leave Utilization

The DOC has experienced an increase in overtime hours due to the need to replace staff who have been deployed on military leave. Those on military leave are still on the State's payroll, so the DOC continues to provide their insurance and financial support where their military pay is below their standard salary. Also, the percentage of overtime that staff took as compensatory time went from half of these overtime hours in FY 2000-01 to 7% in FY 2005-06. The Governor funding for the cost of overtime related to military leave. The average cost per overtime hour related to military leave is \$33.49.

Gross \$698,400
GF/GP \$698,400

Overtime Hours Related to Military Leave Utilization

| <u>Fiscal Year</u> | <u>Paid Overtime Hours</u> | <u>Comped Overtime Hours</u> | <u>Total Overtime Hours</u> |
|--------------------|----------------------------|------------------------------|-----------------------------|
| 2000-01 | 4,027.0 | 4,346.6 | 8,373.6 |
| 2001-02 | 8,547.6 | 2,552.4 | 11,100.0 |
| 2002-03 | 10,697.7 | 1,485.3 | 12,183.0 |
| 2003-04 | 13,500.1 | 1,036.5 | 14,536.6 |
| 2004-05 | 24,887.1 | 1,318.4 | 26,205.5 |
| 2005-06 | 22,139.3 | 1,748.7 | 23,888.0 |

17 Timekeeping System

The Governor requested funding to upgrade their timekeeping system to a centralized system that is compatible with Windows XP. The new system would be able to automatically load into the Data Collections and Distribution System (DCDS). The cost breakdown is:

Gross \$572,800
GF/GP \$572,800

| | <u>Cost</u> | <u>Type</u> |
|---------------------|-------------|-------------|
| Software | \$400,000 | One-time |
| Maintenance | \$66,800 | Annual |
| Servers & Licensing | \$50,000 | One-time |
| Training | \$31,000 | One-time |
| Hosting | \$25,000 | Annual |

18 Assistant Resident Unit Supervisor Conversion

The DOC converted 83.0 FTE prison counselor positions to ARUS positions in order to provide additional supervisory staff in housing units that was lacking due to the reduction in sergeant positions. ARUSs supervise Resident Unit Officers and Corrections Officers. The Governor requested an additional \$5,800 per FTE to fund the conversion.

Gross \$481,400
GF/GP \$481,400

19 Huron Valley Complex

The Governor requested funding at Huron Valley for 4.8 FTE sergeant positions, as well as \$50,000 for food carts to feed the prisoners in the Residential Treatment Program for mentally ill prisoners. The RTP program was moved to HV from Scott, and other expenses for RTP were moved through internal transfers. 4.8 FTE sergeant positions is equivalent to one additional sergeant on duty seven days a week for 24 hours per day.

Gross \$418,000
GF/GP \$418,000

FTE 4.8

20 Housing Inmates in Federal Institutions

The DOC has reduced the number of federal prisoners it houses in its facilities from 11 or 12 inmates to six inmates. At \$96.33 per day, the DOC predicts to receive \$211,000 in revenue, \$161,600 less than what was appropriated in FY 2006-07. The DOC expects to house 29 of their prisoners in federal facilities, at a cost of \$75 per day.

Gross \$241,300
GF/GP \$402,900

21 Law Libraries

As required by the Knop v Johnson court order, every DOC facility contains a law library in order to allow prisoners access to the courts. The cost of updates to materials that cost \$1,046,000 in FY 2001-02 cost \$1,444,600 in FY 2005-06 as a result of decreased demand for published hard copies that the DOC needs for prisoners in segregation.

Gross \$400,000
GF/GP \$400,000

| | | |
|--|-------|-------------|
| 22 Risk Assessment Staff The Governor requested 4.0 FTE positions to perform risk assessments on incoming prisoners at the Reception and Guidance Center at Egeler, which receives an average of 300 new prisoners per week. The assessment tool, Correctional Offender Management Profiling for Alternative Sanctions (COMPAS), takes 40 minutes per prisoner to complete. The assessment is utilized to develop prison programming and treatment for the offender. | Gross | \$315,000 |
| | GF/GP | \$315,000 |
| | FTE | 4.0 |
| 23 Corrections Transportation Officer High Security Pay In FY 2006-07, the appropriation eliminated high security premiums of \$.50 for Corrections Transportation Officers. The CTOs appealed this pay cut and through a letter of understanding with MCO, all CTOs are now eligible for this premium. The budget request restored this funding. | Gross | \$207,000 |
| | GF/GP | \$207,000 |
| | | |
| 24 Crime Victims Unit In order to comply with P.A 184 of 2005, the Governor requested 2.0 FTE positions. The statute requires the DOC to register all victims of felony crimes that are committed by offenders who are sentenced to probation, in addition to those incarcerated. There are currently almost 55,000 offenders on probation. | Gross | \$146,300 |
| | GF/GP | \$146,300 |
| | FTE | 2.0 |
| 25 Kiosk Reporting Stations The DOC proposed installing ten kiosk reporting stations in field offices to supervise low-risk offenders. In order to spend more time on high-risk parolees and probationers, the kiosks would allow low-risk offenders to report information and pay fees without interaction with a field agent. The kiosks would notify field agents in real-time of any potential violations identified. | Gross | \$136,000 |
| | GF/GP | \$136,000 |
| | | |
| 26 State Transportation Coordinator The Governor requested funding for a Statewide Transportation Coordinator. The coordinator would plan, evaluate, and coordinate the prisoner transportation system which includes interdepartmental transportation, court hearings, hospital and medical appointments, and interstate transport and extradition. | Gross | \$105,400 |
| | GF/GP | \$105,400 |
| | FTE | 1.0 |
| 27 Water and Sewer Rate Increases Oaks' contract for water with the City of Manistee is for \$14.28 per gallon, along with a 15% surcharge on water and sewer services. Due to increased population, Oaks expects to use 67,100 gallons of water during FY 2007-08, up from 55,700 gallons. The Governor requested additional funding to defray the cost of water and sewage cost and use increases. The amount requested would not fully fund the projected expenditures. | Gross | \$99,700 |
| | GF/GP | \$99,700 |
| | | |
| 28 Field Office Lease Space The Governor requested funds for leasing costs: \$13,700 for garage space for transportation vans at the Lawton field office, additional lease space at the Mt. Clemens field office for \$30,400, and additional space in Lansing for \$46,500. | Gross | \$90,600 |
| | GF/GP | \$90,600 |
| | | |
| 29 Parole Board Reviews for MPRI The Governor requested a Parole Board file screener to review files of potential MPRI participants who have been granted parole. If a correctional facility with MPRI services that fits the offender's care and security needs is found, the screener would arrange for the offender to be transferred there prior to parole. If the screener determines that no facility is available for the offender's needs, the file would go back to the Parole Board for determination. | Gross | \$89,300 |
| | GF/GP | \$89,300 |
| | FTE | 1.0 |
| 30 Assistant Resident Unit Supervisor at Pugsley Pugsley's prisoner to ARUS ratio, 165:1, is high in comparison to other Level I facilities. Adding an additional ARUS would reduce the ratio to 145:1. | Gross | \$79,400 |
| | GF/GP | \$79,400 |
| | FTE | 1.0 |
| 31 Department of Information Technology Administrative Reduction The Governor included a 5% DIT administrative reduction. | Gross | (\$12,100) |
| | GF/GP | (\$11,600) |
| | | |
| 32 Information Technology Projects In FY 2006-07, the DOC appropriation included funding for information technology projects. The projects included migrating the offender database from CMIS to OMNI and replacing servers. The Governor requested to remove one-time funding for these projects for FY 2007-08. | Gross | (\$800,000) |
| | GF/GP | (\$800,000) |
| | | |

33 Human Resources Optimization

The Governor included savings and an economic increase for the human resources optimization.

Gross (\$956,600)
GF/GP (\$956,600)

34 Sick Leave Payment Removal

As a result of early-out retirements in FY 2001-02, the State paid out sick leave time over a period of five years. As the payments will be completed, the Governor requested removal of this funding.

Gross (\$1,232,100)
GF/GP (\$1,232,100)

35 County Jail Reimbursement Program

The Governor did not recommend an appropriation for the County Jail Reimbursement Program. The CJRP is funded by civil infraction fees, which statutorily must be used for this purpose, and telephone fees and commissions. If changes in sentencing guidelines were enacted, the program and its criteria may have to be modified.

Gross (\$13,248,900)
GF/GP \$0

36 Sentencing Reform

Please see the attached document for more information.

Gross (\$92,000,000)
GF/GP (\$92,000,000)

37 Economic Adjustments

Gross \$84,890,100
GF/GP \$82,880,500

| | |
|-----------------------|--------------|
| Salaries | \$42,283,700 |
| Insurance | \$16,714,900 |
| Retirement | \$24,356,500 |
| Workers' Compensation | (\$928,400) |
| Building Occupancy | \$4,600 |
| Food | \$938,100 |
| Fuel & Utilities | \$1,520,700 |

38 Executive Order 2007-3

The Governor's recommended the FY 2007-08 budget prior to various executive order reductions. Some of the reductions are reflected in the above recommendations.

Gross \$68,542,800
GF/GP \$67,551,800

| | <u>Gross Reduction</u> | <u>Funds replaced in FY 2007-08 recommendation?</u> |
|------------------------------|------------------------|---|
| Retirement Savings | (\$64,865,600) | Fully |
| Training | (\$2,500,000) | Fully |
| Workers' Compensation | (\$963,100) | Partially |
| Project Joshua | (\$208,300) | Fully |
| DIT Administrative Reduction | (\$5,800) | No |

39 FY 2006-07 Supplemental

Public Act 3 of 2007 provided an additional \$12.6 million for hospital and specialty care services. The FY 2007-08 recommendation did not include this additional funding.

Gross (\$12,600,000)
GF/GP (\$12,600,000)

Totals

Gross \$117,202,500
GF/GP \$128,563,500
Beds 1,400
FTE 404.2